

Risk Management



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Risk Management



Department Description

The Risk Management Department manages the City's self-insured Workers' Compensation Programs, coordinates public liability and loss control measures intended to forecast and reduce the City's exposure to risks, and administers employee health and safety programs, employee benefits contracts, and programs including employee savings plans, the Long-Term Disability Plan, and the Employee Assistance Program (EAP).

The Department's mission is:

To effectively prevent, control, and minimize the City's financial risk while providing optimum services to the City's employees and the public through the centralized administration of healthcare, safety, loss control, employee benefit, and other risk management programs

Goals and Objectives

The following goals and objectives represent the action plan for the Department:

Goal 1: Maintain good stewardship over City finances

In order for the City to operate in the most efficient and effective manner possible, the Department must serve as a good steward of the City's finances. It must promote cost effective strategies and continue to improve accountability within the Department. The Department will move toward accomplishing this goal by focusing on the following objectives:

- Meet reserve policy targets
- Deliver services in a cost-effective manner

Goal 2: Reduce risk and loss exposure

In the past, the City focused on reacting to issues that arose. It is the Department's goal to reduce risk and loss exposure and create a more proactive culture within the City. The Department will move toward accomplishing this goal by focusing on the following objectives:

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- Promote the importance of employee safety
- Promote and encourage behaviors that minimize loss
- Identify, monitor, and report loss metrics

Goal 3: Promote the highest ethical standards and behavior among employees

Promote and enforce the City's ethical practices to ensure integrity, accountability, service, team support, openness, and diversity in the Department. The Department will move toward enhancing its accomplishment of this goal by focusing on the following objectives:

- Offer training to management and staff on ethical standards
- Conduct a management review of standards and ethical practices with staff on a regular basis

Service Efforts and Accomplishments

The Workers' Compensation claims management system (IVOS) upgrade will be completed in Fiscal Year 2012. This upgrade facilitates compliance with State-mandated Workers' Compensation benefits, federal Medicare set-aside reporting requirements, and mandated employee notifications.

The Safety and Environmental Health Division is implementing a major revision of the Driver's Vehicle and Industrial Accident Program including the Administrative Regulations and the City's Driver Operator Manual. These revisions will impact: employees who drive City or personal vehicles on City business, supervisors of these employees, employees who maintain vehicle and industrial accident records, Department Accident Review Committees (ARC), and Appointing Authorities responsible for investigating vehicle and industrial accidents. This revision will assist the employees and the departments in better reporting, tracking, and monitoring of vehicle and industrial accidents in order to reduce liabilities and continue to protect City drivers, assets, and citizens.

Public Liability staff continue to work with other City departments by making presentations on the liability claims process and revenue recovery services. In order to comply with new State mandates, the Public Liability day-to-day claims handling process will now include a Medicare set-aside component.

The Benefits/Savings Division is implementing employees' selections as a result of the new post employment health care changes approved by the City Council in January 2012. The programming and testing will be completed in Fiscal Year 2012.

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Key Performance Indicators

Performance Measure	Actual FY2011	Estimated FY2012	Target FY2013
1. Amount of Workers' Compensation costs (G2/O3)	\$21.2M	\$20.0M	\$20.0M
2. Number of new Workers' Compensation claims filed during the fiscal year (G2/O3)	1,690	1,619	1,619
3. Number of Workers' Compensation claims per Adjuster (G2)	250	250	250
4. Amount of Public Liability claim costs (G2/O3)	\$15.1M	\$17.0M	\$17.0M
5. Number of Public Liability claims filed during the fiscal year (G2/O3)	2,433	2,288	2,288
6. Number of Public Liability claims per Adjuster (G2)	217	217	217
7. Reserve balances in millions (and percentage of reserve goals) end of fiscal year for Public Liability (G1/O1)	\$17.1M (29%)	\$17.1M (29%)	\$23.2M (39%)
8. Reserve balances in millions (and percentage of reserve goals) end of fiscal year for Workers' Compensation (G1/O1)	\$34.3M (45%)	\$34.3M (45%)	\$40.3M (53%)



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Department Summary

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012–2013 Change
Positions (Budgeted)	80.16	79.44	79.44	0.00
Personnel Expenditures	\$ 7,026,977	\$ 7,204,255	\$ 7,216,114	\$ 11,859
Non-Personnel Expenditures	2,413,115	2,021,506	2,146,130	124,624
Total Department Expenditures	\$ 9,440,092	\$ 9,225,761	\$ 9,362,244	\$ 136,483
Total Department Revenue	\$ 8,385,386	\$ 9,225,761	\$ 9,728,039	\$ 502,278

Risk Management Administration Fund

Department Expenditures

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012–2013 Change
Risk Management	\$ 9,440,092	\$ 9,225,761	\$ 9,362,244	\$ 136,483
Total	\$ 9,440,092	\$ 9,225,761	\$ 9,362,244	\$ 136,483

Department Personnel

	FY2011 Budget	FY2012 Budget	FY2013 Proposed	FY2012–2013 Change
Risk Management	80.16	79.44	79.44	0.00
Total	80.16	79.44	79.44	0.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Addition for Contractual Services Addition of expenditures and offsetting revenue to support a contractual agreement for services related to benefit and insurance plans.	0.00	\$ 250,000	\$ 250,000
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	45,668	-
Addition of Overtime Addition of overtime expenditures.	0.00	35,000	-
Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	0.00	3,590	-
Copier Savings Adjustment to reflect savings resulting from the new convenience copier contract.	0.00	(14,575)	-
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2012 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	0.00	(26,731)	-

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Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Equipment/Support for Information Technology	0.00	(156,469)	-
Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.			
Revised Revenue	0.00	-	252,278
Adjustment to reflect Fiscal Year 2013 revenue projections.			
Total	0.00	\$ 136,483	\$ 502,278

Expenditures by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
PERSONNEL				
Salaries and Wages	\$ 4,198,770	\$ 4,375,643	\$ 4,370,218	\$ (5,425)
Fringe Benefits	2,828,207	2,828,612	2,845,896	17,284
PERSONNEL SUBTOTAL	\$ 7,026,977	\$ 7,204,255	\$ 7,216,114	\$ 11,859
NON-PERSONNEL				
Supplies	\$ 67,507	\$ 78,237	\$ 77,121	\$ (1,116)
Contracts	1,286,738	756,976	1,047,342	290,366
Information Technology	925,619	967,001	810,532	(156,469)
Energy and Utilities	27,519	13,744	11,272	(2,472)
Other	105,731	146,517	140,813	(5,704)
Transfers Out	-	58,366	58,385	19
Capital Expenditures	-	665	665	-
NON-PERSONNEL SUBTOTAL	\$ 2,413,115	\$ 2,021,506	\$ 2,146,130	\$ 124,624
Total	\$ 9,440,092	\$ 9,225,761	\$ 9,362,244	\$ 136,483

Revenues by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Charges for Services	\$ 26,246	\$ 29,402	\$ 279,402	\$ 250,000
Other Revenue	1,418	-	-	-
Rev from Federal Agencies	8,357,722	9,196,359	9,448,637	252,278
Total	\$ 8,385,386	\$ 9,225,761	\$ 9,728,039	\$ 502,278

Personnel Expenditures

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
Salaries and Wages						
20000012	Administrative Aide 1	0.50	1.00	0.00	\$36,962 - \$44,533	\$ -
20000024	Administrative Aide 2	0.00	0.00	1.00	42,578 - 51,334	49,509
20000119	Associate Management Analyst	1.00	1.00	1.00	54,059 - 65,333	63,700
20000188	Benefits Representative 2	9.00	9.00	8.00	32,968 - 39,811	314,508
20000277	Claims Aide	8.00	8.00	8.00	36,962 - 44,533	302,079
90000277	Claims Aide - Hourly	2.31	0.42	0.42	36,962 - 44,533	15,524
20000278	Claims Clerk	12.75	11.00	12.00	31,491 - 37,918	401,121
20000280	Claims Representative 1	0.00	2.00	0.00	43,742 - 52,936	-
20000283	Claims Representative 2	8.50	7.50	9.50	52,936 - 64,022	573,228
20000285	Claims Representative 2	7.00	7.00	7.00	52,936 - 64,022	444,952

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Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
20000282	Claims Representative 2	3.00	2.00	2.00	52,936 - 64,022	128,044
20000836	Claims and Insurance Manager	2.00	2.00	2.00	73,445 - 88,837	175,009
20000539	Clerical Assistant 2	1.50	3.00	2.00	29,931 - 36,067	70,330
90000539	Clerical Assistant 2 - Hourly	0.00	0.50	0.50	29,931 - 36,067	14,966
20001168	Deputy Director	1.00	1.00	1.00	46,966 - 172,744	117,000
20000382	Employee Assistance Counselor	0.85	0.50	0.50	52,936 - 64,022	31,051
20000411	Employee Assistance Program Manager	0.75	1.00	1.00	66,768 - 80,891	72,652
20000394	Employee Benefits Specialist 1	2.00	0.00	0.00	44,470 - 54,059	-
90000394	Employee Benefits Specialist 1 - Hourly	0.00	0.43	0.43	44,470 - 54,059	19,122
20000383	Employee Benefits Specialist 2	0.00	2.00	3.00	54,059 - 65,333	182,765
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	51,349
20000293	Information Systems Analyst 3	1.00	1.00	1.00	59,363 - 71,760	71,760
20000834	Rehabilitation Coordinator	1.00	1.00	1.00	58,261 - 70,429	-
20001122	Risk Management Director	1.00	1.00	1.00	31,741 - 173,971	150,000
20000847	Safety Officer	2.00	2.00	2.00	57,907 - 69,930	126,089
20000854	Safety Representative 2	4.00	4.00	4.00	50,461 - 61,027	226,589
20001042	Safety and Training Manager	1.00	1.00	1.00	66,768 - 80,891	78,398
20001017	Senior Claims Representative	3.00	3.00	3.00	58,261 - 70,429	197,358
20000927	Senior Clerk/Typist	1.00	1.00	1.00	36,067 - 43,514	41,514
20000358	Supervising Claims Representative	1.00	1.00	1.00	64,002 - 77,314	77,314
20000359	Supervising Claims Representative	3.00	3.00	3.00	64,002 - 77,314	229,299
90000359	Supervising Claims Representative - Hourly	0.00	0.09	0.09	64,002 - 77,314	5,760
20000970	Supervising Management Analyst	1.00	1.00	1.00	66,768 - 80,891	78,464
	Bilingual - Regular					8,736
	Exceptional Performance Pay-Classified					4,224
	Overtime Budgeted					35,000
	Termination Pay Annual Leave					12,804
Salaries and Wages Subtotal		80.16	79.44	79.44		\$ 4,370,218

Fringe Benefits

Employee Offset Savings	\$ 67,125
Flexible Benefits	502,320
Long-Term Disability	28,865
Medicare	57,300
Other Post-Employment Benefits	479,728
Retiree Medical Trust	322
Retirement 401 Plan	1,288
Retirement ARC	1,336,530
Retirement DROP	19,644
Retirement Offset Contribution	12,477

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Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
	Risk Management Administration					78,671
	Supplemental Pension Savings Plan					175,824
	Unemployment Insurance					12,731
	Workers' Compensation					73,071
Fringe Benefits Subtotal						\$ 2,845,896
Total Personnel Expenditures						\$ 7,216,114

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Revenue and Expense Statement (Non-General Fund)

Risk Management Administration Fund	FY2011 Actual	FY2012 [*] Budget	FY2013 Proposed
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ (1,729,827)	\$ (1,550,540)	\$ (1,017,719)
Reserved Balance	97,000	—	26,141
TOTAL BALANCE AND RESERVES	\$ (1,632,827)	\$ (1,550,540)	\$ (991,578)
REVENUE			
City Contributions	\$ 8,357,722	\$ 9,196,359	\$ 9,448,637
Service To Other Depts	24,221	29,402	279,402
Other Revenue	3,443	—	—
TOTAL REVENUE	\$ 8,385,386	\$ 9,225,761	\$ 9,728,039
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 6,752,559	\$ 7,675,221	\$ 8,736,461
OPERATING EXPENSE			
Operating Expense	\$ 9,440,092	\$ 9,225,761	\$ 9,362,244
TOTAL OPERATING EXPENSE	\$ 9,440,092	\$ 9,225,761	\$ 9,362,244
TOTAL EXPENSE	\$ 9,440,092	\$ 9,225,761	\$ 9,362,244
RESERVES			
Reserve for Encumbrances	\$ 20,248	\$ —	\$ —
TOTAL RESERVES	\$ 20,248	\$ —	\$ —
BALANCE	\$ (2,707,781)	\$ (1,550,540)	\$ (625,783)
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 6,752,559	\$ 7,675,221	\$ 8,736,461

* At the time of publication, audited financial statements for Fiscal Year 2012 were not available. Therefore, the Fiscal Year 2012 column reflects final budget amounts from the Fiscal Year 2012 Adopted Budget. As such, current fiscal year balances and reserves are estimates of carryover from the previous fiscal year.



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